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SERVICE DATE - MAY 2, 2002

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FR-4915-00-P

DEPARTMENT OF TRANSPORTATION

Surface Transportation Board

[STB Finance Docket No. 34188]

ISG South Chicago & Indiana Harbor Railway Company—Acquisition and Operation  
Exemption—Rail Lines of the Chicago Short Line Railway Company

ISG South Chicago & Indiana Harbor Railway Company (SCIH), a noncarrier,<sup>1</sup> has filed a notice of exemption under 49 CFR 1150.31 to acquire and operate, pursuant to an agreement entered into between ISG and LTV Steel Company, Inc. (LTV), the railroad lines, trackage rights, and substantially all other assets of the Chicago Short Line Railway Company (CSL).<sup>2</sup> SCIH will acquire CSL's interest in approximately 5 miles of railroad line generally located between Pullman Junction and Rock Island Junction, in South Chicago, Cook County, IL. Specifically, SCIH proposes to acquire the following: (1) an undivided one-half interest in and to: 1,595 track feet of track commencing at approximately EPS 155+95 near E. 95th Street and Woodlawn Avenue and ending at approximately EPS 171+90 near E. 95th Street and Stoney Island Avenue; 312 track feet of track commencing at approximately EPS 171+90 and ending at approximately EPS 175+02; 193 track feet of crossover track located between approximately EPS 170+95.2 and approximately EPS 172+88.2; the westerly segment of crossover track being 95 track

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<sup>1</sup> SCIH is a wholly owned subsidiary of ISG Indiana Harbor Inc., which is a wholly owned subsidiary of International Steel Group, Inc. (ISG).

<sup>2</sup> CSL is a subsidiary of LTV.

feet located at approximately EPS 174+07 and connecting to the east bound main track as located near E. 95th St. and Stony Island Avenue, in the City of Chicago; (2) 978 track feet extending from approximately EPS 175+02 near E. 95th Street and Stony Island Avenue to approximately EPS 184+80; (3) two parallel main railroad tracks, one comprised of approximately 10,754 track feet and the other comprised of approximately 9,254 track feet, extending from approximately EPS 175+02 near E. 95th St. and South Chicago Avenue to approximately EPS 282+61 near E. 95th and South Chicago Avenue, in the City of Chicago; (4) an undivided one-half interest in approximately 976 track feet of track providing a rail connection with Norfolk Southern Railway Company (NS) at Rock Island Junction near E. 95th Street and South Chicago Avenue as located beginning at approximately EPS 275+44; and (5) one track comprised of approximately 186 track feet at South Chicago Avenue, in the City of Chicago. SCIH also will acquire more than 5 miles of yard, switching, industrial and other trackage owned by CSL in the vicinity of its 98th Street Yard in South Chicago and in the vicinity of the Acme Steel facility in South Deering, IL, over which the Board does not have jurisdiction. See 49 U.S.C. 10906.

In addition to the railroad lines owned by CSL, SCIH will acquire any and all trackage rights that are held by CSL over the rail lines of third parties. These trackage rights include the following 9.65 miles of overhead trackage rights that CSL acquired from Consolidated Rail that are currently operated by NS: (1) the 0.05±-mile segment between NS's right-of-way line and the point of switch of the new interlocked switch in

NS's Chicago Line at milepost 509.5±, in South Chicago, IL; (2) the 7.40±-mile segment comprising main tracks (including appurtenant sidings, crossovers, and connecting tracks) of the NS Chicago Line between milepost 502.6±, at Indiana Harbor, IN, and milepost 510.0±, at South Chicago; (3) the 0.20±-mile segment of the BRC connection lead between the connection with the NS Chicago Line main track at milepost 509.7±, in South Chicago, then westerly to NS's property line at Rock Island Junction, IL; and (4) the 2.0±-mile segment of NS's Calumet River Line between its connection with the Chicago Line at milepost 0.0±, in South Chicago, and milepost 1.9±, at South Chicago, plus 0.1±-mile through 110th Street Yard.<sup>3</sup>

SCIH also will acquire approximately 13.5 miles of CSL's overhead trackage rights over the following railroad lines: (1) CSXT's Lake Subdivision between approximately milepost 251.3 near Indiana Harbor, IN, and approximately milepost 257.3 near Rock Island Junction, IL, a distance of approximately 6 miles; (2) NS's ex-NKP line and parallel ex-C&WI line between Pullman Junction, IL, and South Deering, a distance of approximately 2 miles; (3) Belt Railway of Chicago's District Tracks between Rock Island Junction and South Deering, a distance of approximately 2.5 miles; and (4) Chicago Rail Link's railroad line between Rock Island Junction and South Deering, a distance of approximately 3 miles.

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<sup>3</sup> See Chicago Line Railway Company–Trackage Rights Exemption–Consolidated Rail Corporation, Finance Docket No. 32828 (ICC served Dec. 29, 1995).

The total distance of trackage rights proposed to be acquired by SCIH is approximately 23.15 miles. SCIH will also acquire any and all rights held by CSL to operate over the tracks of third parties for interchange, switching and other purposes. Separate Board approval is not required for the acquisition of these rights.

SCIH certifies that its projected annual revenues as a result of this transaction will not result in the creation of a Class I or Class II rail carrier, and further certifies that its projected annual revenues will not exceed those that would qualify it as a Class III rail carrier. SCIH will become a Class III rail carrier after consummation of the transaction proposed here and it will operate as a switching/terminal railroad.

The transaction was scheduled to be consummated on or shortly after April 9, 2002, the effective date of the exemption (7 days after the exemption was filed).

If the notice contains false or misleading information, the exemption is void ab initio. Petitions to revoke the exemption under 49 U.S.C. 10502(d) may be filed at any time. The filing of a petition to revoke does not automatically stay the transaction.

An original and 10 copies of all pleadings, referring to STB Finance Docket No. 34188, must be filed with the Surface Transportation Board, Case Control Unit, 1925 K Street NW, Washington, DC 20423-0001. In addition, one copy of each pleading must be served on Kevin M. Sheys, Kirkpatrick & Lockhart LLP, 1800 Massachusetts Avenue NW, 2nd Floor, Washington, DC 20036.

Board decisions and notices are available on our website at “WWW.STB.DOT.GOV.”

Decided: April 25, 2002.

By the Board, David M. Konschnik, Director, Office of Proceedings.

Vernon A. Williams

Secretary